

**State of California  
Office of Administrative Law**

**In re:**  
Education Audit Appeals Panel

**Regulatory Action:**

**Title 5, California Code of Regulations**

**Adopt sections:** 19817.2, 19817.5, 19840,  
19846.1

**Amend sections:** 19815, 19816, 19816.1,  
19817.1, 19846

**Repeal sections:**

**NOTICE OF APPROVAL OF EMERGENCY  
REGULATORY ACTION**

**Government Code Sections 11346.1 and  
11349.6**

**OAL File No. 2011-0422-06 E**

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The Education Audit Appeals Panel submitted this emergency rulemaking action to update the audit guide that is used for auditing California K-12 Local Education Agencies (LEAs), pursuant to Education Code section 14502.1. The updated guide will be applicable to FY 2011-2012. This action amends five sections and adopts four sections under title 5 of the California Code of Regulations. The affected sections include updates to the guide to ensure consistency with general auditing standards, amendments to clarify existing guide auditing procedures, and a new section, pursuant to AB 1610 (Stats. 2010, ch. 724), which requires reporting of attendance records for juvenile court schools operated by a county superintendent of schools.

OAL approves this emergency regulatory action pursuant to sections 11346.1 and 11349.6 of the Government Code.

This emergency regulatory action is effective on 5/2/2011 and will expire on 11/1/2011. The Certificate of Compliance for this action is due no later than 10/31/2011.

Date: 5/2/2011



Richard L. Smith  
Staff Counsel

For: DEBRA M. CORNEZ  
Assistant Chief Counsel/Acting Director

Original: Cindy S. Chan  
Copy: Carolyn Pirillo

# EMERGENCY

STATE OF CALIFORNIA—OFFICE OF ADMINISTRATIVE LAW  
NOTICE PUBLICATION AND REGULATIONS SUBMISSION

(See instructions on reverse)

For use by Secretary of State only

STD. 400 (REV. 01-09)

<b>OAL FILE NUMBERS</b>	NOTICE FILE NUMBER <b>Z-</b>	REGULATORY ACTION NUMBER	EMERGENCY NUMBER <b>2011-0422-06E</b>
For use by Office of Administrative Law (OAL) only		2011 APR 22 PM 2:38	
NOTICE		REGULATIONS	
AGENCY WITH RULEMAKING AUTHORITY Education Audit Appeals Panel			AGENCY FILE NUMBER (if any)

2011 APR 22 PM 2:08  
2011 MAY -2 PM 2:08  
John Brown  
SECRETARY OF STATE

### A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)

1. SUBJECT OF NOTICE	TITLE(S)	FIRST SECTION AFFECTED	2. REQUESTED PUBLICATION DATE
3. NOTICE TYPE <input type="checkbox"/> Notice re Proposed Regulatory Action <input type="checkbox"/> Other	4. AGENCY CONTACT PERSON	TELEPHONE NUMBER	FAX NUMBER (Optional)
<b>OAL USE ONLY</b>	ACTION ON PROPOSED NOTICE <input type="checkbox"/> Approved as Submitted <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Disapproved/Withdrawn	NOTICE REGISTER NUMBER	PUBLICATION DATE

### B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

1a. SUBJECT OF REGULATION(S) Audits of K-12 LEAs - FY 2011-12	1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S)
2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (including title 26, if toxics related)	
<b>SECTION(S) AFFECTED (List all section number(s) individually. Attach additional sheet if needed.)</b>	ADOPT 19817.2, 19817.5, 19840, 19846.1
	AMEND 19815, 19816, 19816.1, 19817.1, 19846
TITLE(S) 5	REPEAL
3. TYPE OF FILING	
<input type="checkbox"/> Regular Rulemaking (Gov. Code §11346) <input type="checkbox"/> Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §11349.3, 11349.4) <input checked="" type="checkbox"/> Emergency (Gov. Code, §11346.1(b)) <input type="checkbox"/> Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute. <input type="checkbox"/> Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1) <input type="checkbox"/> Emergency Readopt (Gov. Code, §11346.1(h)) <input type="checkbox"/> File & Print <input type="checkbox"/> Other (Specify) _____ <input type="checkbox"/> Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100) <input type="checkbox"/> Print Only	
4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §44 and Gov. Code §11347.1)	
5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, §100)	
<input type="checkbox"/> Effective 30th day after filing with Secretary of State <input checked="" type="checkbox"/> Effective on filing with Secretary of State <input type="checkbox"/> \$100 Changes Without Regulatory Effect <input type="checkbox"/> Effective other (Specify) _____	
6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY	
<input type="checkbox"/> Department of Finance (Form STD. 399) (SAM §6660) <input type="checkbox"/> Fair Political Practices Commission <input type="checkbox"/> State Fire Marshal <input type="checkbox"/> Other (Specify) _____	
7. CONTACT PERSON Carolyn Pirillo	TELEPHONE NUMBER (916) 445-7745
FAX NUMBER (Optional) (916) 445-7626	E-MAIL ADDRESS (Optional) cpirillo@eaap.ca.gov

8. I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.

SIGNATURE OF AGENCY HEAD OR DESIGNEE 	DATE 4.22.11
TYPED NAME AND TITLE OF SIGNATORY Mary C. Kelly, Executive Officer	

For use by Office of Administrative Law (OAL) only

ENDORSED APPROVED

MAY 02 2011

Office of Administrative Law

1 *Amend sections 19815, 19816, 19816.1, 19817.1, and 19846, and add sections 19817.2,*  
2 *19817.5, 19840, and 19846.1 to read:*

3 **TITLE 5. Education**

4 **Division 1.5. Education Audit Appeals Panel**

5 **Chapter 3. Audits of California K-12 Local Education Agencies**

6 **Article 2. Audit Reports**

7 **§ 19815. Report Components.**

8 The report of each audit performed pursuant to Education Code Section 41020 shall be as  
9 follows, except that the subelements of (d) may be in any order among themselves:

10 (a) Introductory Section.

11 (1) Table of Contents for the audit report.

12 (2) Other information as deemed appropriate by the auditee.

13 (b) Financial Section.

14 (1) Independent Auditor's Report.

15 (2) Management's Discussion and Analysis.

16 (3) Basic Financial Statements.

17 (4) Notes to the Basic Financial Statements.

18 (c) Required Supplementary Information.

19 Schedule of budgetary comparison data, by object for the 2009-10 fiscal year and  
20 following, for the General Fund and any major special revenue funds that have legally adopted  
21 annual budgets, disclosing excesses of expenditures over appropriations, if any, in individual  
22 funds presented in the budgetary comparison.

23 (d) Supplementary Information.

24 (1) Local Education Agency Organization Structure.

- 1 (2) Schedule of Average Daily Attendance.
- 2 (3) Schedule of Instructional Time.
- 3 (4) Schedule of Financial Trends and Analysis.
- 4 (5) Reconciliation of Annual Financial and Budget Report With Audited Financial  
5 Statements.
- 6 (6) Optionally, Combining Statements and Individual Fund Statements and Schedules.
- 7 (7) Schedule of Charter Schools.
- 8 (8) If required as set forth in the edition of OMB Circular A-133 applicable to the year  
9 being audited, Schedule of Expenditures of Federal Awards.
- 10 (9) Notes to Supplementary Information, if required.
- 11 (e) Other Independent Auditor's Reports.
- 12 (1) Report on Internal Control Over Financial Reporting and on Compliance and Other  
13 Matters Based on an Audit of Financial Statements Performed in Accordance with *Government*  
14 *Auditing Standards*.
- 15 (2) Report on State Compliance.
- 16 ~~(3) If required as set forth in the edition of OMB Circular A-133 applicable to the year~~  
17 ~~being audited,~~ Report on Compliance With Requirements Applicable to Each Major Program  
18 and Internal Control Over Compliance in Accordance With OMB Circular A-133, for fiscal  
19 years 2003-04 through 2010-11, if required as set forth in the edition of OMB Circular A-133  
20 applicable to the year being audited.
- 21 (4) Report on Compliance With Requirements that Could Have a Direct and Material  
22 Effect on Each Major Program and on Internal Control Over Compliance in Accordance With  
23 OMB Circular A-133, for fiscal years 2011-12 and following, if required as set forth in the  
24 edition of OMB Circular A-133 applicable to the year being audited.

1 (f) Findings and Recommendations.

2 (1) Schedule of Findings and Questioned Costs.

3 (2) Schedule of Prior Audit Findings.

4 NOTE: Authority cited: Section 14502.1, Education Code. Reference: Sections 14502.1,  
5 14503 and 41020, Education Code.

6 **§ 19816. Definitions.**

7 The content of the audit report sections and subsections specified in Section 19815 is as  
8 described in the *Codification of Statements on Auditing Standards*, published by the American  
9 Institute of Certified Public Accountants, the *Codification of Governmental Accounting and*  
10 *Financial Reporting Standards*, published by the Governmental Accounting Standards Board  
11 (GASB), or *Government Auditing Standards* published by the Comptroller General of the  
12 United States, in the respective editions applicable to the fiscal year being audited, or as  
13 defined in one of the following:

14 (a) “*Government Auditing Standards*” means the publication by the Comptroller General of  
15 the United States, United States General Accounting Office, originally issued in 1972 and  
16 revised from time to time, commonly known as the “Yellow Book,” that contains standards for  
17 audits of government organizations, programs, activities, and functions and that is referenced  
18 in Education Code sections 14501, 14503, and 41020(b)(4).

19 (b) “Local Education Agency Organization Structure” means a description in the  
20 Supplementary Information section that sets forth the following information, at a minimum:

21 (1) The date on which the local education agency was established, and for charter schools  
22 the date and granting authority of each charter;

23 (2) The date and a general description of any change during the year audited in a school  
24 district’s boundaries;

1 (3) The numbers by type of schools in the local education agency;

2 (4) The names, titles, terms, and term expiration dates of all members of the governing  
3 board;

4 (5) The names, with their titles, of the superintendent, chief business official, and  
5 deputy/associate/assistant superintendents.

6 (c) "OMB Circular A-133" means the publication, produced by the federal Office of  
7 Management and Budget and titled *Audits of States, Local Governments, and Non-Profit*  
8 *Organizations*, that sets forth standards for attaining consistency and uniformity in the audits of  
9 governments and organizations expending federal awards.

10 (d) "Reconciliation of Annual Financial and Budget Report with Audited Financial  
11 Statements" means a schedule that displays the differences between the ending fund balance(s)  
12 from the audited financial statements and the unaudited ending fund balance(s) from the annual  
13 financial and budget report for each fund in which a variance occurred.

14 (e) "Report on Internal Control Over Financial Reporting and on Compliance and Other  
15 Matters Based on an Audit of Financial Statements Performed in Accordance with *Government*  
16 *Auditing Standards*" means, for fiscal years 2003-04 through 2008-09, the component of the  
17 Other Independent Auditor's Reports that specifies material instances of noncompliance, if  
18 any; defines reportable conditions and specifies the reportable conditions disclosed as a result  
19 of the audit; defines material weaknesses and specifies the material weaknesses, if any, that  
20 were disclosed by the audit; includes a statement that no material weaknesses were found, if  
21 that is the case; includes a statement that nonmaterial noncompliance and nonreportable  
22 conditions involving the internal control structure and its operation were communicated to  
23 management in a separate management letter, if that is the case; specifies all instances of fraud  
24 and illegal acts, if any, that were disclosed by the audit, unless clearly inconsequential; and

1 specifies material abuse, if any, that was disclosed by the audit.

2 (f) “Report on Internal Control Over Financial Reporting and on Compliance and Other  
3 Matters Based on an Audit of Financial Statements Performed in Accordance with *Government*  
4 *Auditing Standards*” means,

5 (1) for fiscal year ~~years~~ 2009-10 ~~and following through 2010-11~~, the component of the  
6 Other Independent Auditor’s Reports that specifies material instances of noncompliance, if  
7 any; defines control deficiency and significant deficiency and specifies the significant  
8 deficiencies disclosed by the audit; defines material weaknesses and specifies the material  
9 weaknesses, if any, that were disclosed by the audit; if no significant deficiencies were  
10 identified, includes a statement that no material weaknesses were noted; if significant  
11 deficiencies were noted, a statement that the auditor’s consideration of internal control over  
12 financial reporting would not necessarily identify all deficiencies in the internal control that  
13 might be significant deficiencies and a statement about whether the auditor believes any of the  
14 significant deficiencies noted were material weaknesses; includes a statement that additional  
15 matters were communicated to the auditee in a management letter, if that is the case; specifies  
16 all instances of fraud and illegal acts, if any, that were disclosed by the audit, unless clearly  
17 inconsequential; specifies material violations of provisions of contracts and grant agreements,  
18 if any; and specifies material abuse, if any, that was disclosed by the audit;

19 (2) for fiscal year 2011-12 and following, the component of the Other Independent  
20 Auditor’s Reports that reports on these matters in accordance with the financial reporting  
21 requirements specified in the *Codification of Statements on Auditing Standards* and in  
22 *Government Auditing Standards*, as applicable to the year being audited.

23 (g) “Report on State Compliance” means, for fiscal years 2003-04 through 2010-11, the  
24 component of the Other Independent Auditor’s Reports that specifically and separately

1 addresses each of the state compliance requirements included in this audit guide that are  
2 applicable to the year audited, stating whether or not the district is in compliance with those  
3 requirements; includes a chart that displays the number of audit procedures for each  
4 compliance requirement applicable to the year audited and states that the audit procedures  
5 included in the audit guide for each requirement were followed in the making of the audit, if  
6 that is the case, or, if not, what other procedures were followed; and includes an expression of  
7 positive assurance with respect to compliance with applicable laws and regulations for those  
8 items tested in accordance with those regulations, and negative assurance for untested items.

9 (1) The numbers of audit procedures for the compliance requirements included in this audit  
10 guide for audits of fiscal year 2003-04 are

- 11 Attendance Reporting, 6;
- 12 Kindergarten Continuance, 3;
- 13 Independent Study, 22;
- 14 Continuation Education, 10;
- 15 Adult Education, 9;
- 16 Regional Occupational Centers and Programs, 6;
- 17 Instructional Time and Staff Development Reform Program, 7;
- 18 Instructional Time for school districts, 4; for county offices of education, 3;
- 19 Community Day Schools, 9;
- 20 Instructional Materials general requirements, 9; K-8 only, 1; grades 9-12 only, 1;
- 21 Ratios of Administrative Employees to Teachers, 1;
- 22 Early Retirement Incentive, 4;
- 23 Gann Limit Calculation, 1;
- 24 Class Size Reduction (including in charter schools): general requirements, 7; Option One,

1 3; Option Two, 4; districts or charter schools with only one school serving K-3, 4.

2 (2) The numbers of audit procedures for the compliance requirements included in this audit  
3 guide for audits of fiscal year 2004-05 are

4 Attendance Reporting, 8;

5 Kindergarten Continuance, 3;

6 Independent Study, 22;

7 Continuation Education, 10;

8 Adult Education, 9;

9 Regional Occupational Centers and Programs, 6;

10 Instructional Time and Staff Development Reform Program, 7;

11 Instructional Time for school districts, 4; for county offices of education, 3;

12 Community Day Schools, 9;

13 Instructional Materials general requirements, 12; K-8 only, 1; grades 9-12 only, 1;

14 Ratios of Administrative Employees to Teachers, 1;

15 Early Retirement Incentive, 4;

16 Gann Limit Calculation, 1;

17 School Construction Funds: School District Bonds, 3; State School Facilities Funds, 1;

18 Alternative Pension Plans, 2;

19 Proposition 20 Lottery Funds (Cardenas Textbook Act of 2000), 2;

20 State Lottery Funds (California State Lottery Act of 1984), 2;

21 California School Age Families Education (Cal-SAFE) Program, 3;

22 School Accountability Report Card, 3;

23 Class Size Reduction (including in charter schools): general requirements, 7; Option One,

24 3; Option Two, 4; districts or charter schools with only one school serving K-3, 4.

1 (3) The numbers of audit procedures for the compliance requirements included in this audit  
2 guide for audits of fiscal year 2005-06 are

3 Attendance Reporting, 8;  
4 Kindergarten Continuance, 3;  
5 Independent Study, 22;  
6 Continuation Education, 10;  
7 Adult Education, 9;  
8 Regional Occupational Centers and Programs, 6;  
9 Instructional Time for school districts, 4; for county offices of education, 3;  
10 Community Day Schools, 9;  
11 Morgan-Hart Class Size Reduction Program, 7;  
12 Instructional Materials general requirements, 12; K-8 only, 1; grades 9-12 only, 1;  
13 Ratios of Administrative Employees to Teachers, 1;  
14 Early Retirement Incentive, 4;  
15 Gann Limit Calculation, 1;  
16 School Construction Funds: School District Bonds, 3; State School Facilities Funds, 1;  
17 Alternative Pension Plans, 2;  
18 Proposition 20 Lottery Funds (Cardenas Textbook Act of 2000), 2;  
19 State Lottery Funds (California State Lottery Act of 1984), 2;  
20 California School Age Families Education (Cal-SAFE) Program, 3;  
21 School Accountability Report Card, 3;  
22 Class Size Reduction (including in charter schools): general requirements, 7; Option One,  
23 3; Option Two, 4; districts or charter schools with only one school serving K-3, 4;  
24 Contemporaneous Records of Attendance, for charter schools, 1;

1 Nonclassroom-Based Instruction/Independent Study, for charter schools, 15;  
2 Additional Nonclassroom-Based Instruction, for charter schools, 1;  
3 Determination of Funding for Nonclassroom-Based Instruction, for charter schools, 3;  
4 Annual Instructional Minutes – Classroom Based, for charter schools, 3.  
5 (4) The numbers of audit procedures for the compliance requirements included in this audit  
6 guide for audits of fiscal year 2006-07 are  
7 Attendance Reporting, 8;  
8 Kindergarten Continuance, 3;  
9 Independent Study, 23;  
10 Continuation Education, 10;  
11 Adult Education, 9;  
12 Regional Occupational Centers and Programs, 6;  
13 Instructional Time for school districts, 6; for county offices of education, 3;  
14 Community Day Schools, 9;  
15 Morgan-Hart Class Size Reduction Program, 7;  
16 Instructional Materials general requirements, 12; K-8 only, 1; grades 9-12 only, 1;  
17 Ratios of Administrative Employees to Teachers, 1;  
18 Early Retirement Incentive, 4;  
19 Gann Limit Calculation, 1;  
20 School Construction Funds: School District Bonds, 3; State School Facilities Funds, 1;  
21 Alternative Pension Plans, 2;  
22 Excess Sick Leave, 2 or 3;  
23 Notice of Right To Elect California State Teachers Retirement System (CalSTRS)  
24 Membership, 1;

1 Proposition 20 Lottery Funds (Cardenas Textbook Act of 2000), 2;  
2 State Lottery Funds (California State Lottery Act of 1984), 2;  
3 California School Age Families Education (Cal-SAFE) Program, 3;  
4 School Accountability Report Card, 3;  
5 Class Size Reduction (including in charter schools): general requirements, 7; Option One,  
6 3; Option Two, 4; districts or charter schools with only one school serving K-3, 4;  
7 Contemporaneous Records of Attendance, for charter schools, 1;  
8 Mode of Instruction, for charter schools, 1;  
9 Nonclassroom-Based Instruction/Independent Study, for charter schools, 15;  
10 Determination of Funding for Nonclassroom-Based Instruction, for charter schools, 3;  
11 Annual Instructional Minutes – Classroom Based, for charter schools, 3.  
12 (5) The numbers of audit procedures for the compliance requirements included in this audit  
13 guide for audits of fiscal year 2007-08 are  
14 Attendance Reporting, 8;  
15 Kindergarten Continuance, 3;  
16 Independent Study, 23;  
17 Continuation Education, 10;  
18 Adult Education, 9;  
19 Regional Occupational Centers and Programs, 6;  
20 Instructional Time for school districts, 6; for county offices of education, 3;  
21 Community Day Schools, 9;  
22 Morgan-Hart Class Size Reduction Program, 7;  
23 Instructional Materials general requirements, 12; K-8 only, 1; grades 9-12 only, 1;  
24 Ratios of Administrative Employees to Teachers, 1;

1 Classroom Teacher Salaries, 1;  
2 Early Retirement Incentive, 4;  
3 Gann Limit Calculation, 1;  
4 School Construction Funds: School District Bonds, 3; State School Facilities Funds, 1;  
5 Excess Sick Leave, 2 or 3;  
6 Notice of Right To Elect California State Teachers Retirement System (CalSTRS)  
7 Membership, 1;  
8 Proposition 20 Lottery Funds (Cardenas Textbook Act of 2000), 2;  
9 State Lottery Funds (California State Lottery Act of 1984), 2;  
10 California School Age Families Education (Cal-SAFE) Program, 3;  
11 School Accountability Report Card, 3;  
12 Mathematics and Reading Professional Development, 4;  
13 Class Size Reduction (including in charter schools): general requirements, 7; Option One,  
14 3; Option Two, 4; districts or charter schools with only one school serving K-3, 4;  
15 After School Education and Safety Program: general requirements, 4; after school, 4;  
16 before school, 5;  
17 Contemporaneous Records of Attendance, for charter schools, 1;  
18 Mode of Instruction, for charter schools, 1;  
19 Nonclassroom-Based Instruction/Independent Study, for charter schools, 15;  
20 Determination of Funding for Nonclassroom-Based Instruction, for charter schools, 3;  
21 Annual Instructional Minutes – Classroom Based, for charter schools, 3.  
22 (6) The numbers of audit procedures for the compliance requirements included in this audit  
23 guide for audits of fiscal year 2008-09 are  
24 Attendance Reporting, 8;

1 Independent Study, 23;  
2 Continuation Education, 10;  
3 Instructional Time for school districts, 6; for county offices of education, 3;  
4 Community Day Schools, 3;  
5 Instructional Materials general requirements, 8;  
6 Ratios of Administrative Employees to Teachers, 1;  
7 Classroom Teacher Salaries, 1;  
8 Early Retirement Incentive, 4;  
9 Gann Limit Calculation, 1;  
10 School Accountability Report Card, 3;  
11 Class Size Reduction (including in charter schools): general requirements, 7; Option One,  
12 3; Option Two, 4; districts or charter schools with only one school serving K-3, 4;  
13 After School Education and Safety Program: general requirements, 4; after school, 4;  
14 before school, 5;  
15 Contemporaneous Records of Attendance, for charter schools, 1;  
16 Mode of Instruction, for charter schools, 1;  
17 Nonclassroom-Based Instruction/Independent Study, for charter schools, 15;  
18 Determination of Funding for Nonclassroom-Based Instruction, for charter schools, 3;  
19 Annual Instructional Minutes – Classroom Based, for charter schools, 3.  
20 (7) The numbers of audit procedures for the compliance requirements included in this audit  
21 guide for audits of fiscal year 2009-10 are  
22 Attendance Reporting, 8;  
23 Kindergarten Continuance, 3;  
24 Independent Study, 23;

1 Continuation Education, 10;  
2 Instructional Time for school districts, 6; for county offices of education, 3;  
3 Instructional Materials general requirements, 8;  
4 Ratios of Administrative Employees to Teachers, 1;  
5 Classroom Teacher Salaries, 1;  
6 Early Retirement Incentive, 4;  
7 Gann Limit Calculation, 1;  
8 School Accountability Report Card, 3;  
9 Public Hearing Requirement – Receipt of Funds, 1;  
10 Class Size Reduction (including in charter schools): general requirements, 7; Option One,  
11 3; Option Two, 4; districts or charter schools with only one school serving K-3, 4;  
12 After School Education and Safety Program: general requirements, 4; after school, 4;  
13 before school, 5;  
14 Contemporaneous Records of Attendance, for charter schools, 1;  
15 Mode of Instruction, for charter schools, 1;  
16 Nonclassroom-Based Instruction/Independent Study, for charter schools, 15;  
17 Determination of Funding for Nonclassroom-Based Instruction, for charter schools, 3;  
18 Annual Instructional Minutes – Classroom Based, for charter schools, 3.  
19 (8) The numbers of audit procedures for the compliance requirements included in this audit  
20 guide for audits of fiscal year 2010-11 are  
21 Attendance Reporting, 8;  
22 Kindergarten Continuance, 3;  
23 Independent Study, 23;  
24 Continuation Education, 10;

- 1 Instructional Time for school districts, 6; for county offices of education, 3;
- 2 Instructional Materials general requirements, 8;
- 3 Ratios of Administrative Employees to Teachers, 1;
- 4 Classroom Teacher Salaries, 1;
- 5 Early Retirement Incentive, 4;
- 6 Gann Limit Calculation, 1;
- 7 School Accountability Report Card, 3;
- 8 Public Hearing Requirement – Receipt of Funds, 1;
- 9 Class Size Reduction (including in charter schools): general requirements, 7; Option One,
- 10 3; Option Two, 4; districts or charter schools with only one school serving K-3, 4;
- 11 After School Education and Safety Program: general requirements, 4; after school, 4;
- 12 before school, 5;
- 13 Contemporaneous Records of Attendance, for charter schools, 1;
- 14 Mode of Instruction, for charter schools, 1;
- 15 Nonclassroom-Based Instruction/Independent Study, for charter schools, 15;
- 16 Determination of Funding for Nonclassroom-Based Instruction, for charter schools, 3;
- 17 Annual Instructional Minutes – Classroom Based, for charter schools, 3.

18 (h) “Report on State Compliance” means, for fiscal year 2011-12 and following, the  
19 component of the Other Independent Auditor’s Reports that specifically and separately  
20 addresses each of the state compliance requirements included in this audit guide that are  
21 applicable to the year audited, stating that compliance with the applicable compliance  
22 requirements is the responsibility of the auditee’s management, and stating whether or not the  
23 auditee is in compliance with those requirements; includes a chart that displays each  
24 compliance requirement and the corresponding number of audit procedures applicable to the

1 year audited and states that the audit procedures included in the audit guide for each  
2 compliance requirement were followed in the making of the audit, if that is the case, or, if not,  
3 what other procedures were followed; and includes an expression of opinion on whether the  
4 auditee complied, in all material respects, with applicable compliance requirements.

5 The numbers of audit procedures for the compliance requirements included in this audit  
6 guide for audits of fiscal year 2011-12 are

7 Attendance Reporting, 6;

8 Teacher Certification and Misassignments, 3;

9 Kindergarten Continuance, 3;

10 Independent Study, 23;

11 Continuation Education, 10;

12 Instructional Time for school districts, 6; for county offices of education, 3;

13 Instructional Materials general requirements, 8;

14 Ratios of Administrative Employees to Teachers, 1;

15 Classroom Teacher Salaries, 1;

16 Early Retirement Incentive, 4;

17 Gann Limit Calculation, 1;

18 School Accountability Report Card, 3;

19 Public Hearing Requirement – Receipt of Funds, 1;

20 Juvenile Court Schools, 8;

21 Class Size Reduction (including in charter schools): general requirements, 7; Option One,  
22 3; Option Two, 4; districts or charter schools with only one school serving K-3, 4;

23 After School Education and Safety Program: general requirements, 4; after school, 5;  
24 before school, 6;

1 Contemporaneous Records of Attendance, for charter schools, 1;

2 Mode of Instruction, for charter schools, 1;

3 Nonclassroom-Based Instruction/Independent Study, for charter schools, 15;

4 Determination of Funding for Nonclassroom-Based Instruction, for charter schools, 3;

5 Annual Instructional Minutes – Classroom Based, for charter schools, 3.

6 (h) (i) (1) “Report on Compliance With Requirements Applicable to Each Major Program  
7 and Internal Control Over Compliance in Accordance With OMB Circular A-133” means, for  
8 fiscal years 2003-04 through 2010-11, the component of the Other Independent Auditor’s  
9 Reports that states whether the auditee has complied with federal laws, regulations, and the  
10 provisions of federal contracts or grant agreements and has established and maintained  
11 effective internal control over compliance with the requirements for major federal programs.

12 (2) “Report on Compliance With Requirements that Could Have a Direct and Material  
13 Effect on Each Major Program and on Internal Control Over Compliance in Accordance With  
14 OMB Circular A-133,” means, for fiscal years 2011-12 and following, the component of the  
15 Other Independent Auditor’s Reports that states that compliance with the applicable  
16 compliance requirements is the responsibility of the auditee’s management; includes an  
17 expression of opinion on whether the auditee complied, in all material respects, with federal  
18 laws, regulations, and the provisions of federal contracts or grant agreements; and whether the  
19 auditee has established and maintained effective internal control over compliance with the  
20 requirements for major federal programs.

21 (i) (j) “Schedule of Average Daily Attendance” means the schedule in the Supplementary  
22 Information section that displays

23 (1) for fiscal years 2003-04 through 2008-09, Average Daily Attendance data for both the  
24 Second Period and Annual reports, by grade level and program as appropriate, and, for charter

1 schools, includes total Average Daily Attendance and Average Daily Attendance generated  
2 through classroom-based instruction; and ~~for fiscal year 2009-10 and following, if there are~~  
3 ~~any Average Daily Attendance adjustments due to audit findings, displays additional columns~~  
4 ~~for the Second Period and Annual reports reflecting the final Average Daily Attendance after~~  
5 ~~audit finding adjustments.~~

6 (2) for fiscal years 2009-10 through 2010-11, Average Daily Attendance data for both the  
7 Second Period and Annual reports, by grade level and program as appropriate, and, for charter  
8 schools, includes total Average Daily Attendance and Average Daily Attendance generated  
9 through classroom-based instruction; and if there are any Average Daily Attendance  
10 adjustments due to audit findings, displays additional columns for the Second Period and  
11 Annual reports reflecting the final Average Daily Attendance after audit finding adjustments;

12 (3) for fiscal year 2011-12 and following, Average Daily Attendance data for both the  
13 Second Period and Annual reports, by grade level and program as appropriate; and separately  
14 for each charter school, shows the total Average Daily Attendance and the Average Daily  
15 Attendance generated through classroom-based instruction by grade level, as appropriate; and  
16 if there are any Average Daily Attendance adjustments due to audit findings, displays  
17 additional columns for the Second Period and Annual reports reflecting the final Average  
18 Daily Attendance after audit finding adjustments.

19 ~~(j)~~ (k) “Schedule of Charter Schools” means the schedule in the Supplementary  
20 Information section that lists all charter schools chartered by the school district or county office  
21 of education, and displays information for each charter school on whether or not the charter  
22 school is included in the school district or county office of education audit.

23 ~~(k)~~ (l) “Schedule of Financial Trends ~~and~~ Analysis” means, for fiscal year 2003-04, the  
24 schedule in the Supplementary Information section that displays information regarding the

1 auditee’s financial position and going concern status, in the form of actual financial and  
2 attendance figures for at least the most recent three-year period (ending with the audit year),  
3 plus the current year’s budget, for the following items: General Fund financial activity,  
4 including total revenue, expenditures, and other sources and uses; General Fund balance;  
5 available reserve balances (funds designated for economic uncertainty, and any other  
6 remaining undesignated fund balance) within the General Fund, Special Reserve Fund, and any  
7 Article XIII-B Trust Funds; available reserve balances expressed as a percentage of total  
8 General Fund outgo (expenditures, transfers out, and other uses), including a comparison to the  
9 applicable state-recommended available reserve percentage; total long-term debt; and  
10 elementary and secondary Second Principal Average Daily Attendance, excluding Regional  
11 Occupational Centers and Programs and Adult Average Daily Attendance; and, when the  
12 auditee’s percentage of available reserves to total General Fund outgo is below the state-  
13 recommended percentage, management’s plans for increasing the auditee’s available reserve  
14 percentage.

15 (A) (m) “Schedule of Financial Trends and Analysis” means, for fiscal year 2004-05 and  
16 each fiscal year thereafter, the schedule in the Supplementary Information section that displays  
17 information regarding the auditee’s financial position and going concern status, in the form of  
18 actual financial and attendance figures for at least the most recent three-year period (ending  
19 with the audit year), plus the current year’s budget, for the following items: General Fund  
20 financial activity, including total revenue, expenditures, and other sources and uses; General  
21 Fund balance; available reserve balances (funds designated for economic uncertainty, and any  
22 other remaining undesignated fund balance) within the General Fund or Special Reserve Fund;  
23 available reserve balances expressed as a percentage of total General Fund outgo  
24 (expenditures, transfers out, and other uses), including a comparison to the applicable state-

1 recommended available reserve percentage; total long-term debt; and elementary and  
2 secondary Second Principal Average Daily Attendance, excluding Regional Occupational  
3 Centers and Programs and Adult Average Daily Attendance; and, when the auditee's  
4 percentage of available reserves to total General Fund outgo is below the state-recommended  
5 percentage, management's plans for increasing the auditee's available reserve percentage.

6 ~~(m)~~ (n) "Schedule of Findings and Questioned Costs" means that part of the Findings and  
7 Recommendations section that presents all audit year findings, and a copy of each management  
8 letter issued, if any, with each finding assigned the appropriate code from among the  
9 following: 10000 Attendance, 20000 Inventory of Equipment, 30000 Internal Control, 40000  
10 State Compliance, 41000 CalSTRS, 50000 Federal Compliance, 60000 Miscellaneous, 61000  
11 Classroom Teacher Salaries, 70000 Instructional Materials, 71000 Teacher Misassignments,  
12 72000 School Accountability Report Card, and includes the following elements:

13 (1) criteria

14 (2) condition

15 (3) effect

16 (4) cause

17 (5) a statement of the number of units of Average Daily Attendance, if any, that were  
18 inappropriately reported for apportionment; and a statement consistent with its basis of  
19 funding, for any other inappropriately reported claim—such as number of staff development  
20 days, or number of pupils for Class Size Reduction, or amount in dollars for Instructional  
21 Materials, and so forth

22 (6) a recommendation for the resolution of the finding

23 (7) a corrective action plan prepared by the auditee that describes in specific terms the  
24 actions planned or taken to correct the problem, or a statement from the auditee that the

1 corrective action recommended by the auditor is not necessary or appropriate and giving the  
2 specific reasons why, if that is the case, and a statement that the corrective action plan was not  
3 available if no corrective action plan was submitted before the audit report was prepared.

4 ~~(n)~~ (o) “Schedule of Instructional Time” means a schedule in the Supplementary  
5 Information section that displays, for school districts, including basic aid districts, and county  
6 offices of education, data that show whether the auditee complied with the provisions of  
7 Article 8 (commencing with Section 46200) of Chapter 2 of Part 26 of the Education Code;  
8 and for charter schools, data that show whether the auditee complied with the provisions of  
9 subdivision (a)(1) of Education Code Section 47612.5.

10 ~~(o)~~ (p) “Schedule of Prior Audit Findings” means that part of the Findings and  
11 Recommendations section that presents the status of actions taken by the auditee on each of the  
12 findings and recommendations reported in the prior year audit, and includes as current year  
13 findings and recommendations those prior year findings that have not been resolved.

14 NOTE: Authority cited: Section 14502.1, Education Code. Reference: Sections 14501,  
15 14502.1, 14503, 41020 and 47634.2, Education Code.

16 **§ 19816.1. Applicability of Audit Procedures by Audit Year.**

17 (a) Of the compliance requirements set forth in Article 3:

18 (1) Sections 19817 through 19825, and 19828 through 19831 are applicable to fiscal year  
19 2003-04 audits;

20 (2) Sections 19817.1 through 19825, and 19828.1 through 19837 are applicable to fiscal  
21 year 2004-05 audits.

22 (3) Sections 19817.1 through 19822, 19824, 19825, 19827, and 19828.1 through 19837 are  
23 applicable to fiscal year 2005-06 audits.

24 (4) Sections 19817.1 through 19822, 19824, 19825, 19827, and 19828.1 through 19837 are

1 applicable to fiscal year 2006-07 audits.

2 (5) Sections 19817.1 through 19822, 19824, 19825, 19827, 19828.2 through 19832, and  
3 19833.5 through 19838 are applicable to fiscal year 2007-08 audits.

4 (6) Sections 19817.1, 19819, 19820, 19824, 19825, 19828.3 through 19831, and 19837.2  
5 are applicable to fiscal year 2008-09 audits.

6 (7) Sections 19817.1 through 19820, 19824, 19828.4 through 19831, 19837.3, and 19839,  
7 are applicable to fiscal year 2009-10 audits.

8 (8) Sections 19817.1 through 19820, 19824, 19828.4 through 19831, 19837.3, and 19839,  
9 are applicable to fiscal year 2010-11 audits.

10 (9) Sections 19817.2 through 19820, 19824.1, 19828.4 through 19831, 19837.3, 19839, and  
11 19840 are applicable to fiscal year 2011-12 audits.

12 (b) Of the compliance requirements set forth in Article 3.1,

13 (1) Section 19845 is applicable to fiscal year 2003-04 audits;

14 (2) Section 19845.1 is applicable to fiscal year 2004-05 audits;

15 (3) Section 19845.1 is applicable to fiscal year 2005-06 audits;

16 (4) Section 19845.1 is applicable to fiscal year 2006-07 audits;

17 (5) Sections 19845.1 and 19846 are applicable to fiscal year 2007-08 audits.

18 (6) Sections 19845.2 and 19846 are applicable to fiscal year 2008-09 audits.

19 (7) Sections 19845.2 and 19846 are applicable to fiscal year 2009-10 audits.

20 (8) Sections 19845.2 and 19846 are applicable to fiscal year 2010-11 audits.

21 (9) Sections 19845.2 and 19846.1 are applicable to fiscal year 2011-12 audits.

22 (c) Of the compliance requirements set forth in Article 4,

23 (1) Sections 19850 through 19854 are applicable to fiscal year 2005-06 audits.

24 (2) Sections 19850 through 19854 are applicable to fiscal year 2006-07 audits.

1 (3) Sections 19850 through 19854 are applicable to fiscal year 2007-08 audits.

2 (4) Sections 19850 through 19854 are applicable to fiscal year 2008-09 audits.

3 (5) Sections 19850 through 19854 are applicable to fiscal year 2009-10 audits.

4 (6) Sections 19850 through 19854 are applicable to fiscal year 2010-11 audits.

5 (7) Sections 19850 through 19854 are applicable to fiscal year 2011-12 audits.

6 NOTE: Authority cited: Section 14502.1, Education Code. Reference: Sections 14501,  
7 14502.1, 14503, 41020 and 47634.2, Education Code.

8 **Article 3. State Compliance Procedures: Local Education Agencies**

9 **Other Than Charter Schools**

10 **§ 19817.1. Regular and Special Day Classes.**

11 For fiscal year years 2004-05 ~~and each fiscal year thereafter~~ through 2010-11, perform the  
12 following audit steps:

13 (a) Determine whether the Second Principal and Annual reports of attendance submitted to  
14 the California Department of Education reconcile to the supporting documents by verifying the  
15 local education agency's Average Daily Attendance calculations for each reporting line item,  
16 including the informational line items. Trace the Average Daily Attendance numbers from the  
17 Second Principal and Annual reports of attendance to the local education agency's summaries.

18 (b) Verify that the monthly site summaries used for summarizing attendance provide  
19 accurate information, by selecting a representative sample of schools and performing the  
20 following procedures (include special day classes in this sample; other special programs are  
21 identified separately in subsequent sections of this audit guide):

22 (1) Reconcile the monthly totals (days of apportionment attendance) on the school's  
23 attendance summary to the summary maintained by the local education agency for the Second  
24 Principal and the Annual attendance reports.

1 (2) Select at least one test month in the Second Principal or Annual attendance reporting  
2 period. Verify the mathematical accuracy of the monthly report and trace the totals to the  
3 school's attendance summary.

4 (3) Select a representative sample of classes (teachers) and trace the monthly totals from  
5 the monthly report to the data origination documentation. Verify the mathematical accuracy of  
6 the attendance registers, scantron summaries, or other data arrays.

7 (c) Select a sample of absences and compare to documentation supporting Average Daily  
8 Attendance reported to the California Department of Education to verify that absences were  
9 not included in Average Daily Attendance. The documentation maintained by the local  
10 education agency with regard to its absences may be in the form of notes, logs, or other  
11 records, depending on the board-adopted policy concerning verification of absences.

12 (d) If any inappropriately reported units of Average Daily Attendance are identified  
13 through the foregoing audit procedures, recalculate, consistent with the provisions of  
14 Education Code Section 46303, the correct number of units of Average Daily Attendance.  
15 Include a statement in the Findings and Recommendations section of the audit report of the  
16 number of units of Average Daily Attendance that were inappropriately reported for  
17 apportionment and an estimate of their dollar value.

18 (e) For each teacher selected pursuant to subparagraph (b)(3) of this section, test to  
19 determine whether the teacher possessed a valid certification document. If any teacher did not  
20 possess a valid certification document, calculate the penalty or penalties pursuant to the  
21 provisions of Education Code Section 45037 and include the actual calculation in an audit  
22 finding in the Findings and Recommendations section.

23 (f)(1) For each teacher selected pursuant to subparagraph (b)(3) of this section, test to  
24 determine whether the teacher was assigned to teach in a position

1 (A) consistent with the authorization of his or her certification document, or

2 (B) otherwise authorized by law pursuant to

3 1. a governing board resolution in conformance with the provisions of any of subdivision

4 (b) of Education Code Section 44256, Section 44258.2, Section 44258.3, or Section 44263, or

5 2. approval of a committee on assignments pursuant to the provisions of subdivision (c) or

6 (d) of Section 44258.7.

7 (2) If any teacher selected pursuant to subparagraph (b)(3) of this section was assigned to

8 teach a class in which more than 20 percent of the pupils were English learners, determine

9 whether the teacher was authorized to instruct limited-English-proficient pupils pursuant to the

10 provisions of Education Code Section 44253.3, 44253.4, or 44253.10.

11 (3) If any teacher was assigned to teach in a position for which he or she was not

12 authorized, include a finding in the Findings and Recommendations section of the audit report.

13 NOTE: Authority cited: Section 14502.1, Education Code. Reference: Sections 14501,

14 14502.1, 14503 and 41020, Education Code.

15 **§ 19817.2. Attendance Reporting.**

16 For fiscal years 2011-12 and following, perform the following audit steps:

17 (a) Determine whether the Second Principal and Annual reports of attendance submitted to

18 the California Department of Education reconcile to the supporting documents by verifying the

19 local education agency's Average Daily Attendance calculations for each reporting line item,

20 including the informational line items, subject to the materiality levels as described in Section

21 19813.

22 (b) Trace the Average Daily Attendance numbers from the Second Principal and Annual

23 reports of attendance to the local education agency's summaries.

24 (c) Verify that the monthly site summaries used for summarizing attendance provide

1 accurate information, by selecting a representative sample of schools and performing the  
2 following procedures (exclude the programs identified separately in subsequent sections of this  
3 audit guide):

4 (1) Reconcile the monthly totals (days of apportionment attendance) on the school's  
5 attendance summary to the summary maintained by the local education agency for the Second  
6 Principal and the Annual attendance reports.

7 (2) Select at least one test month in the Second Principal or Annual attendance reporting  
8 period. Verify the mathematical accuracy of the monthly report and trace the totals to the  
9 school's attendance summary.

10 (3) Select a representative sample of classes (teachers) and trace the monthly totals from  
11 the monthly report to the data origination documentation. Verify the mathematical accuracy of  
12 the attendance registers, scantron summaries, or other data arrays.

13 (d) Select a sample of absences and compare to documentation supporting Average Daily  
14 Attendance reported to the California Department of Education to verify that absences were  
15 not included in Average Daily Attendance. The documentation maintained by the local  
16 education agency with regard to its absences may be in the form of notes, logs, or other  
17 records, depending on the board-adopted policy concerning verification of absences.

18 (e) If any inappropriately reported units of Average Daily Attendance are identified  
19 through the foregoing audit procedures, recalculate, consistent with the provisions of  
20 Education Code Section 46303, the correct number of units of Average Daily Attendance.  
21 Include a statement in the Findings and Recommendations section of the audit report of the  
22 number of units of Average Daily Attendance that were inappropriately reported for  
23 apportionment and an estimate of their dollar value.

24 NOTE: Authority cited: Section 14502.1, Education Code. Reference: Sections 14502.1,

1 14503 and 41020, Education Code.

2 **§ 19817.5. Teacher Certification and Misassignments.**

3 For fiscal year 2011-12 and following, perform the following audit steps:

4 (a) For each teacher selected pursuant to subparagraph (c)(3) of Section 19817.2, test to  
5 determine whether the teacher possessed a valid certification document.

6 (b) If any teacher did not possess a valid certification document, calculate the penalty or  
7 penalties pursuant to the provisions of Education Code Section 45037 and include the actual  
8 calculation in an audit finding in the Findings and Recommendations section.

9 (c) For each teacher selected pursuant to subparagraph (c)(3) of Section 19817.2, test to  
10 determine whether the teacher was assigned to teach in a position

11 (1) consistent with the authorization of his or her certification document, or

12 (2) otherwise authorized by law pursuant to

13 (A) a governing board resolution in conformance with the provisions of any of subdivision

14 (b) of Education Code Section 44256, Section 44258.2, Section 44258.3, or Section 44263, or

15 (B) approval of a committee on assignments pursuant to the provisions of subdivision (c) or

16 (d) of Section 44258.7.

17 (d) If any teacher selected pursuant to subparagraph (c)(3) of Section 19817.2 was assigned  
18 to teach a class in which more than 20 percent of the pupils were English learners, determine  
19 whether the teacher was authorized to instruct limited-English-proficient pupils pursuant to the  
20 provisions of Education Code Section 44253.3, 44253.4, or 44253.10.

21 (e) If any teacher was assigned to teach in a position for which he or she was not  
22 authorized, include a finding in the Findings and Recommendations section of the audit report.

23 NOTE: Authority cited: Section 14502.1, Education Code. Reference: Sections 14501,

24 14502.1, 14503 and 41020, Education Code.

1 **§ 19840. Juvenile Court Schools.**

2 If the county office of education claimed any average daily attendance for juvenile court  
3 schools which are shown on the attendance reporting forms under juvenile halls, homes and  
4 camp, or county group home and institution pupils, then perform the following procedures:

5 (a) Determine whether the Annual report of attendance submitted to the California  
6 Department of Education reconciles to the supporting documents by verifying the county office  
7 of education's juvenile court schools Average Daily Attendance calculations:

8 (b) In accordance with Education Code Section 41601(b), verify that a divisor of 175 was  
9 used in calculating the average daily attendance reported in the Annual attendance reporting  
10 period.

11 (c) Trace the Average Daily Attendance numbers from the Annual report of attendance to  
12 the county office of education's summaries.

13 (d) Verify that the monthly site attendance summaries provide accurate information by  
14 reconciling the monthly totals (days of apportionment attendance) on the site's attendance  
15 summary to the summary maintained by the county for the Annual attendance reports.

16 (e) Select a test month in the Annual attendance reporting period. Verify the mathematical  
17 accuracy of the monthly report and trace the totals to the site's attendance summary.

18 (f) Select a representative sample of classes (teachers). Trace the monthly totals from the  
19 monthly report to the data origination documentation. Verify the mathematical accuracy of the  
20 attendance registers, scantron summaries, or other data arrays.

21 (g) Verify that the minimum school day included at least 180 minutes of instruction for  
22 pupils in attendance in approved vocational education programs, work programs prescribed by  
23 the probation department pursuant to Welfare and Institutions Code Section 883, and work  
24 experience programs, and at least 240 minutes of instruction for all other pupils by reviewing

1 the bell schedule(s) or other appropriate documentation; and that the school's practice was to  
2 schedule all pupils, other than pupils with exceptional needs whose Individualized Education  
3 Programs specified otherwise, to attend for at least the minimum day pursuant to the provisions  
4 of Education Code Section 48645.3.

5 (h) Select a representative sample of pupils and verify, by reviewing class assignments, that  
6 the pupils were scheduled to attend school at least a minimum day pursuant to the provisions of  
7 Education Code Section 48645.3.

8 (i) If any inappropriately reported units of Average Daily Attendance are identified through  
9 the foregoing audit procedures, recalculate, consistent with the provisions of Education Code  
10 Section 46303, the correct number of units of Average Daily Attendance. Include a statement  
11 in the Findings and Recommendations section of the audit report of the number of units of  
12 Average Daily Attendance that were inappropriately reported for apportionment and an  
13 estimate of their dollar value.

14 NOTE: Authority cited: Section 14502.1, Education Code. Reference: Sections 14502.1, 14503  
15 and 41020, Education Code; Statutes of 2010, c. 724 (A.B. 1610, eff. Oct. 19, 2010), § 41.

16 **Article 3.1. State Compliance Procedures: School Districts and Charter Schools**  
17 **§ 19846. After School Education and Safety Program.**

18 If For fiscal years 2007-08 through 2010-11, if the local education agency received After  
19 School Education and Safety funds, perform the following procedures:

20 (a) If the local education agency operated an after school program component:

21 (1) Determine whether the local education agency established a policy regarding  
22 reasonable early daily release of pupils from the program.

23 (2) Select a representative sample of schools for each program type, as that term is used in  
24 the attendance report, for which data was reported to the California Department of Education

1 for the after school base grant program. Determine whether the reported number of students  
2 served, as that term is used in the report, for each selected school is supported by written  
3 records that document pupil participation, by tracing the reported numbers through any  
4 documentation used to summarize the numbers of students served, to written data origination  
5 documentation.

6 (3) For each school selected pursuant to subparagraph (a)(2) of this section, determine  
7 whether the after school program commenced every day immediately upon the conclusion of  
8 the regular schoolday, operated a minimum of 15 hours per week, and operated until at least  
9 6:00 p.m. every regular schoolday, by reviewing, for example, local policies and procedures,  
10 program staffing schedules, sign in/out sheets, program brochures, and other relevant  
11 documentation.

12 (4) For each school selected pursuant to subparagraph (a)(2) of this section, determine  
13 whether elementary school pupils participated in the full day of the after school program on  
14 every day during which pupils participated, and determine whether pupils in middle or junior  
15 high schools attended the after school program a minimum of nine hours a week and three days  
16 a week, except as consistent with the established early release policy.

17 (5) If any noncompliance is found through the foregoing procedures, include a statement in  
18 the Findings and Recommendations section of the audit report, stating that the local education  
19 agency did not have a policy on reasonable early daily release from the after school program, if  
20 that is the case, and including discrepancies, if any, between the reported numbers of students  
21 served and the totals arising from the supporting documentation; failure to operate consistent  
22 with the days/hours requirements set forth in subparagraph (a)(3) of this section, if any; and the  
23 portion of reported students served that resulted from attendance, inconsistent with the  
24 established early release policy, by elementary school pupils for less than the full day of the

1 after school program, and from attendance by middle or junior high school pupils for less than  
2 nine hours a week or fewer than three days a week, if any.

3 (b) If the local education agency operated a before school program component:

4 (1) Determine whether the local education agency established a policy regarding  
5 reasonable late daily arrival of pupils to the program.

6 (2) Select a representative sample of schools for each program type, as that term is used in  
7 the attendance report, for which data was reported to the California Department of Education  
8 for the before school base grant program. Determine whether the reported number of students  
9 served, as that term is used in the report, for each selected school is supported by written  
10 records that document pupil participation, by tracing the reported numbers through any  
11 documentation used to summarize the numbers of students served, to written data origination  
12 documentation.

13 (3) For each school selected pursuant to subparagraph (b)(2) of this section,

14 (A) Determine whether the local education agency operated the before school program for  
15 not less than one and one-half hours per regular schoolday, by reviewing, for example, local  
16 policies and procedures, program staffing schedules, sign in/out sheets, program brochures,  
17 and other relevant documentation.

18 (B) Determine whether attendance by pupils for less than one-half of the daily program  
19 hours was included in the report of students served.

20 (4) For each school selected pursuant to subparagraph (b)(2) of this section, determine  
21 whether elementary school pupils participated in the full day of the before school program on  
22 every day during which pupils participated, and determine whether pupils in middle or junior  
23 high schools attended the before school program a minimum of six hours a week or three days  
24 a week, except as consistent with the late arrival policy.

1 (5) If any noncompliance is identified through the foregoing procedures, include a  
2 statement in the Findings and Recommendations section of the audit report, stating that the  
3 local education agency did not have a policy on reasonable late daily arrival of pupils to the  
4 before school program, if that is the case, and including discrepancies, if any, between the  
5 reported numbers of students served and the totals arising from the supporting documentation;  
6 failure to operate for the required hours each schoolday as set forth in subparagraph (b)(3)(A)  
7 of this section, if any; and the portion of reported students served that resulted from attendance,  
8 inconsistent with the established late arrival policy, by elementary school pupils for less than  
9 the full day of the before school program, and by middle or junior high school pupils for less  
10 than six hours a week or fewer than three days a week, if any.

11 (c) General requirements:

12 (1) Verify that the local education agency contributed cash or in-kind local funds, equal to  
13 not less than one-third of the total state grant, which may have originated from the school  
14 district, other governmental agencies, community organizations, or the private sector.  
15 Facilities or space usage may fulfill not more than 25 percent of the required local contribution.

16 (2) Review program expenditures by performing the following procedures:

17 (A) Verify that expenditures of state funds for indirect costs were the lesser of the local  
18 education agency's indirect cost rate as approved by the California Department of Education  
19 for the year audited, or 5 percent of the state funding received.

20 (B) Verify that not more than 15 percent of the state funding was expended for  
21 administrative costs, including indirect costs charged to the program.

22 (C) Verify that not less than 85 percent of the state funding was allocated to schoolsites for  
23 direct services to pupils.

24 (3) If the local education agency did not meet the minimum cash or in-kind local

1 contribution requirement, spent state program funding on excess indirect costs or on excess  
2 administrative costs, provided an insufficient allocation to schoolsites, or any combination of  
3 the foregoing, include a finding in the Findings and Recommendations section of the audit  
4 report stating, correspondingly, the amount of the local match requirement, the amount by  
5 which the local education agency failed to meet the match requirement, the excess amount of  
6 the local match requirement fulfilled through facilities or space usage, the amount(s)  
7 inappropriately spent, and the amount of the insufficiency in schoolsite allocations.

8 NOTE: Authority cited: Section 14502.1, Education Code. Reference: Sections 8482.3,  
9 14502.1, 14503 and 41020, Education Code.

10 **§ 19846.1. After School Education and Safety Program.**

11 For fiscal years 2011-12 and following, if the local education agency received After School  
12 Education and Safety funds, perform the following audit steps:

13 (a) If the local education agency operated an after school program component:

14 (1) Determine whether the local education agency established a policy regarding  
15 reasonable early daily release of pupils from the program.

16 (2) Select a representative sample of schools for each program type, as that term is used in  
17 the attendance report, for which data was reported to the California Department of Education  
18 for the after school base grant program. Determine whether the reported number of students  
19 served, as that term is used in the report, for each selected school is supported by written  
20 records that document pupil participation, by tracing the reported numbers through any  
21 documentation used to summarize the numbers of students served, to written data origination  
22 documentation.

23 (3) For each school selected pursuant to subparagraph (a)(2) of this section, determine  
24 whether the after school program commenced every day immediately upon the conclusion of

1 the regular schoolday, operated a minimum of 15 hours per week, and operated until at least  
2 6:00 p.m. every regular schoolday as specified in Education Code Section 8483(a)(1), by  
3 reviewing, for example, local policies and procedures, program staffing schedules, sign in/out  
4 sheets, program brochures, and other relevant documentation.

5 (4) For each school selected pursuant to subparagraph (a)(2) of this section, determine  
6 whether pupils reported on the report of students served attended a full day of the after school  
7 program; or if any pupil attended less than the full day, the attendance was consistent with the  
8 established early release policy.

9 (5) For each middle or junior high school selected pursuant to subparagraph (a)(2) of this  
10 section, determine whether the local education agency has a process or procedure that gives  
11 priority for enrollment to pupils who attend daily.

12 (6) If any noncompliance is found through the foregoing procedures, include a statement in  
13 the Findings and Recommendations section of the audit report, stating

14 (A) that the local education agency did not have a policy on reasonable early daily release  
15 from the after school program, if that is the case;

16 (B) discrepancies, if any, between the reported numbers of students served and the totals  
17 arising from the supporting documentation;

18 (C) failure to operate consistent with the days/hours requirements set forth in subparagraph  
19 (a)(3) of this section, if any;

20 (D) the portion of reported students served that resulted from attendance of less than a full  
21 day that was inconsistent with the established early release policy, if any; and

22 (E) that the local education agency did not have a process or procedure in place that gives  
23 enrollment priority to pupils in middle school or junior high school who attend daily, if that is  
24 the case.

1 (b) If the local education agency operated a before school program component:

2 (1) Determine whether the local education agency established a policy regarding  
3 reasonable late daily arrival of pupils to the program.

4 (2) Select a representative sample of schools for each program type, as that term is used in  
5 the attendance report, for which data was reported to the California Department of Education  
6 for the before school base grant program. Determine whether the reported number of students  
7 served, as that term is used in the report, for each selected school is supported by written  
8 records that document pupil participation, by tracing the reported numbers through any  
9 documentation used to summarize the numbers of students served, to written data origination  
10 documentation.

11 (3) For each school selected pursuant to subparagraph (b)(2) of this section,

12 (A) Determine whether the local education agency operated the before school program for  
13 not less than one and one-half hours per regular schoolday as specified in Education Code  
14 Section 8483.1(a)(1), by reviewing, for example, local policies and procedures, program  
15 staffing schedules, sign in/out sheets, program brochures, and other relevant documentation.

16 (B) Determine whether attendance by pupils for less than one-half of the daily before  
17 school program hours was included in the report of students served.

18 (C) Determine for any pupils reported on the report of students served who attended for  
19 one-half day or more but less than the full day, whether the attendance was consistent with the  
20 established late arrival policy.

21 (4) For each middle or junior high school selected pursuant to subparagraph (b)(2) of this  
22 section, determine whether the local education agency has a process or procedure that gives  
23 priority for enrollment for pupils who attend daily.

24 (5) If any noncompliance is identified through the foregoing procedures, include a

1 statement in the Findings and Recommendations section of the audit report, stating

2 (A) that the local education agency did not have a policy on reasonable late daily arrival of  
3 pupils to the before school program, if that is the case;

4 (B) discrepancies, if any, between the reported numbers of students served and the totals  
5 arising from the supporting documentation;

6 (C) failure to operate for the required hours each schoolday as set forth in subparagraph  
7 (b)(3)(A) of this section, if any;

8 (D) the portion of reported students served that resulted from attendance, by pupils  
9 attending less than one-half of the daily program hours, if any;

10 (E) the portion of reported students served that resulted from attendance by pupils who  
11 attended for one-half day or more but less than the full day and did not attend consistent with  
12 the established late arrival policy;

13 (F) that the local education agency did not have a process or procedure in place that gives  
14 enrollment priority to pupils in middle school or junior high school who attend daily.

15 (c) General requirements:

16 (1) Verify that the local education agency contributed cash or in-kind local funds, equal to  
17 not less than one-third of the total state grant, which may have originated from the school  
18 district, other governmental agencies, community organizations, or the private sector.  
19 Facilities or space usage may fulfill not more than 25 percent of the required local contribution.

20 (2) Review program expenditures by performing the following procedures:

21 (A) Verify that expenditures of state funds for indirect costs were the lesser of the local  
22 education agency's indirect cost rate as approved by the California Department of Education  
23 for the year audited, or 5 percent of the state funding received.

24 (B) Verify that not more than 15 percent of the state funding was expended for

1 administrative costs, including indirect costs charged to the program.

2 (C) Verify that not less than 85 percent of the state funding was allocated to schoolsites for  
3 direct services to pupils.

4 (3) If the local education agency did not meet the minimum cash or in-kind local  
5 contribution requirement, spent state program funding on excess indirect costs or on excess  
6 administrative costs, provided an insufficient allocation to schoolsites, or any combination of  
7 the foregoing, include a finding in the Findings and Recommendations section of the audit  
8 report stating, correspondingly, the amount of the local match requirement, the amount by  
9 which the local education agency failed to meet the match requirement, the excess amount of  
10 the local match requirement fulfilled through facilities or space usage, the amount(s)  
11 inappropriately spent, and the amount of the insufficiency in schoolsite allocations.

12 NOTE: Authority cited: Section 14502.1, Education Code. Reference: Sections 8482.3,  
13 14502.1, 14503 and 41020, Education Code.

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